

STAFF REPORT TO THE COMMISSION
March 13, 2002

SUBJECT: Electric Reliability Reports

CAPSULE SUMMARY:

Attached to this report are draft Commission assessments of the 2000 reliability reports filed by Commonwealth Edison, Central Illinois Light Company and AmerenUE. The purpose of this report is to point out the major Staff findings in the draft assessments and ask the Commission to accept or modify the assessments and file them with the Chief Clerk as required by Administrative Code Part 411.140(a).

BACKGROUND:

With the signing into law of Public Act 90-561 in December 1997, Section 16-125 of the public Utilities Act required the Commission to enter into a rulemaking to revise the electric utility reliability requirements of 83 Ill. Adm. Code Part 410, Subpart C. The Commission's revised electric reliability rule became Code Part 411, and the Commission issued a final order adopting the rule on June 1, 1998. One of the new requirements of Section 16-125 was that, beginning with the year 1999 and every three years thereafter, the Commission must assess the annual reliability report of each jurisdictional entity and evaluate each jurisdictional entity's reliability performance.

Code Part 411.140 requires the Commission evaluation to:

- A) Assess the reliability report of each entity
- B) Assess the jurisdictional entity's historical performance relative to established reliability targets.
- C) Identify trends in the jurisdictional entity's reliability performance.
- D) Evaluate the jurisdictional entity's plan to maintain or improve reliability.
- E) Include specific identification, assessment, and recommendations pertaining to any potential reliability problems and risks that the Commission has identified as a result of its evaluation.
- F) Include a review of the jurisdictional entity's implementation of its plan for the previous reporting period.

On June 1, 2001, AmerenUE, AmerenCIPS, Central Illinois Light Company, Commonwealth Edison, Illinois Power, and MidAmerican Energy Company filed their third reliability reports pursuant to Code Part 411. To comply with Section 16-125(d) and Section 411.140, staff engineers reviewed the utility reliability reports for compliance with Code Part 411 and assessed the reports according to the criteria listed above and in Part 411.140. Staff also sent data requests seeking additional information.

The Commission should be aware that the attached reports include information from the responses to Staff's data requests. Information from responses to Staff data requests is not public information. By releasing these reports, this information will become public.

However, ComEd, CILCO, and AmerenUE have indicated that the information contained in these reports is not confidential and can be released to the public.

As indicated in the staff report that accompanied the previous reliability assessments, Staff does not intend to complete all assessments once every three years. Instead, Staff will select two or three utilities each year, conduct full reviews of their reliability reports, and provide draft assessments to the Commission. This year Staff chose ComEd, CILCO, and AmerenUE for full reviews. In that way, Staff can satisfy the requirements of the statute while making better use of its limited resources.

Staff also performed shorter reviews of the remaining utility reports. Staff has sent letters to the remaining utilities notifying them of Staff's review findings.

Major Findings: ComEd

The draft ComEd assessment has thirteen recommendations. The most serious of these recommendations include the failure of ComEd to classify controllable outages based on the facts surrounding the outage instead of using industry percentages, the failure of ComEd to perform needed corrective actions on past years worst performing circuits, and the preponderance of tree contact clearance problems observed during staff circuit inspections. Of these, staff believes the failure of ComEd to show evidence that they are adequately performing corrective tree trimming has the greatest potential to decrease the reliability of ComEd's system.

Other significant Staff findings include:

- The total number of interruptions reported in 2000 decreased by 5% from 1999.
- The year 2000 reliability indices are at approximately the same level as in ComEd's 1999 report.
- ComEd reported that over 50% of all interruptions are caused by either weather, trees or animals.
- ComEd should list planned reliability improvements by operating area in addition to system.

Major Findings: Central Illinois Light Company

The CILCO assessment has nine recommendations. The most serious of these recommendations are:

CILCO's planned actions do not go far enough to proactively remedy the high incident of animal related customer interruptions (38.8% of all controllable interruptions), and the failure of CILCO to keep up with its own schedule to achieve a four-year tree trimming cycle in part accounted for high percentage (29.0%) of all controllable customer interruptions to be tree related.

Major Findings: AmerenUE

The most serious of the five recommendations in the AmerenUE assessment concern AmerenUE having the highest average interruption duration (CAIDI) for all three years that Illinois utilities have reported this index, AmerenUE's lack of substantive reliability goals and projects with timetables, and AmerenUE's high percentage (68%) of total customer interruption time that was categorized as weather related.

Other Utilities

Staff has also focused on the utilities' "worst performing" circuits. Code Part 411 requires utilities to list the circuits with the worst average interruption frequency. Staff wants to ensure that the performances of these circuits improve. Therefore, Staff sent its engineers into the field to inspect these circuits to see what the utilities had done to improve circuit performance. Staff also looked for visible signs of circuit problems that the utilities had not addressed. Staff's inspection work is paying dividends. Information that Staff has collected and presented to the utilities has convinced utilities to reassess their tree trimming and electric distribution inspection programs to look specifically for reliability problems.

PROPOSAL:

Staff asks the Commission to accept or modify the attached draft reliability assessments for ComEd, AmerenUE, and Central Illinois Light Company and file them with the Chief Clerk.

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